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Impact of Celebrity Endorsement on Customer's Purchase Intention: Evidence from University Students of Karachi

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Abstract
The research objective is to investigate the relationship between the celebrity endorsed in advertisement and the customers buying behavior, and how do the celebrity's physical attractiveness, expertise, trustworthiness and its attitude to word the brand and its advertisement can influence the purchase intension of customer. As celebrity endorsement is the latest marketing strategy to make the advertisement more attractive and effective for the organization. The collected data of 100 people was analyzed by regression in SPSS .which will help to analyze the hypothesis, that celebrity endorsements really have impact on customer purchase intension, if it has impact so how much the impact is savior. Further study can be conducted by increasing the demographic population and research horizon which may give a different result or a different direction which will be helpful for advertisement industry.
Keywords: Celebrity Endorsement, Customer Behavior, Brand Perception, Purchase Intention, Celebrity endorsed ads

1. INTRODUCTION

It's extremely tough age of intense competition where making a good position in customer mind in not an easy task. In present time the marketing competition is being harder due to huge advertisement on television, radio, social media and print media. As advertising is the best way to communicate with the customer, so it's the duty of advertisement designer company to make a completely unique and attractive advertisement but now a day's people are ignoring the ads. Due to the ignorance of the advertisement the quality of ads, graphics, design all are being unnoticed. It's hard for the companies to maintain brand image and effective sales. But now there is a strong strategy, which makes the ads more attractive and effective. That is CELEBRITY ENDORSED ADVERTISEMENT which can easily grape the customer attention. Celebrity endorsement provides extra edge to the advertisement designing company to increase viewer ship. In which famous and popular well know persons are used to make the ads more effective and attracting. A perfect celebrity with the brand can help to increase awareness about the brand and help to recall the brand. Celebrity endorsed advertisement can also help to gather the lost customer. For maximum result the celebrity which is going to be endorsed it the advertisement his/her personality should match with the personality of brand, simply the characteristics should be match with the characteristics of brand. It's not an easy task to match the celebrity personality with the brand personality for this purpose advertisement designer company should have a deep understanding of brand as well as the celebrity

> *"Any brand can get a celebrity, that's is easy task but getting a celebrity consistent with the right brand to the right degree at the right time for the right purpose and in the right way that is not easy"*

Radha & Jijo (2013) studied that celebrity endorsement has a reasonable impact on customer as per their attitude and purchase intention. Physical attractiveness, credibility, congruence of celebrity with reference to the endorsed advertisement all have impact on the customer's perception about the product.

1.1. RESEARCH QUESTION

- How far celebrity endorsed ads is more attractive than none celebrity endorsed ads.
- How far celebrity endorsed ads have impact on customer's purchase intension.

1.2. OBJECTIVE OF STUDY

Objective of our study was to determine the impact of celebrity endorsement on customer's brand perception and

purchase intension that how much a particular celebrity can make the advertisement attractive due to his/her looks or other fetures.is really people like to watch the celebrity endorse ads, which type of celebrity people want to see in ads. Above all factor have impact on brand image and purchase intension.

1.3. JUSTIFICATION

Our study will be helpful for the academic institutes, market researchers and the advertising company, they will know about the customer behavior about the celebrity endorsed ads. They can develop new way new strategies to endorse the celebrity and get more customer attention.

1.4. SCOPE AND LIMITATIONS

Our study is generalized for Karachi and as the population is the university students. So our study can only represent a specific set of society.

1.5. KEY TERMS:

- **Celebrity:-** a famous ,popular, well known individual (actor, sport person)
- **Endorsed :-**pressurize some thing
- **Customer:-**individual who purchase goods or services produced by company
- **Brand perception:-**process of creating customer value
- **Purchase intention**:-plan of purchasing a potential good or service in future.
- **Celebrity endorsed ads: -** those ads which uses famous personalities or celebrities who command a high degree of recognition, trust, respect or awareness among the people. These types of ads are used to make brand image promote the brand.

2. LITERATURE REVIEW

Mukherjee (2012) analyze the impact of celebrity endorsements on customer buying behavior. The objective of article was to examine the relationship between celebrity endorsement and customer buying behavior while how consumer makes brand preference. the paper is made of 20 point model which will be use full as blue-print criteria and it is also useful for brand managers for selecting celebrities for their brand or capitalizing the celebrity resource through 360 degree brand communication which is the foundation of impact of celebrity endorsement. Celebrity endorsement is always a two-edged sword and it has a number of positives—if properly matched it can do wonders for the company, and if not it may produce a bad image of the company and its brand.

In (2008) a study was conducted by Clinton Amos, Gary Holmes and David Stratton which shows the relationship between celebrity endorser and the effectiveness of the endorsement on brand. Kruskal-walls nonparametric test was run to know the impact of relationship between celebrity endorser and the effectiveness of the endorsement on brand. Wrong information/data about the celebrity can get a large negative impact on brand .mainly selecting a celebrity for advertisement is a risky decision. To reduce the manager should associate the celebrity with the brand to get good customer perception.

Erik Hunter and Per Davidson (2008) studied negative information's impact on celebrity entrepreneurship. There results shows that negative information about the celebrity might leads to negative attitude towards the new venture and promotion, new ventures can potentially reduce damage to their brand by distancing themselves from the celebrity, however, such a maneuver may not be as effective when the new venture is run by a celebrity entrepreneur.

FAM and Walter (2008) investigated what contributes to advertising likeability and advertising dislike ability in India by surveying individuals in Mumbai. They found that the Indian respondents had a positive attitude towards advertising in general. The study identified seven likeable attributes: 'entertaining,' 'warmth', 'strong/distinctive/sexy', 'soft sell', 'relevant to me', 'trendy/modernity/stylish', and 'status appeal'. The attitude toward the television commercials was attributed to general Indian values, family values and adherence to religious principles/tenets/beliefs.

Muruganantham G, of National Institute of Technology, India and Kaliyamoorthy S, Alagappa University of India studied and their findings indicated that product quality, brand name, and influence of friends and family members were identified by the female respondents as the top three factors influencing their purchase of personal care products and Majority (80.6 %) female respondents use their choice of bath soap because of its quality. Nearly 7 % identified using their brand of soap based on TV advertisements. Other notable reasons given by the respondents are fragrance, reasonable price, family soap, attractive packaging, and doctor's advice.

Jennifer Edson Escalas and James R. Bettman (2009) studied they propose that consumers appropriate brand symbolism that comes from celebrity endorsement to construct and communicate their self-concepts. Study 1 finds that celebrity endorsement enhances self-brand connections when consumers aspire to be like the celebrity, but harms them when consumers do not; this effect is more pronounced when the brand image is congruent with the celebrity's image. This effect is further moderated by the degree to which a brand

communicates something about the user, with more symbolic brands having stronger effects than less symbolic brands. Study 2 finds that the effect of celebrity endorsement on self brand connections is augmented when consumers' self-esteem is threatened. Consumers self enhance by building connections to favorable celebrity images or distancing themselves from unfavorable celebrity images.

M. Gayathri Devi and Dr. C. Ramanigopal (2010), in their paper entitled "Impact of celebrity endorsement on Indian market" stated that Whether Celebrity endorsement has a positive or a negative impact on the brand is a debate that is open to interpretation. But till the time the corporate world continues to foot fancy bills of celebrity endorsers and till consumers continue to be in awe of the stars, the party is not likely to break up.

GIRIDHAR K.V. (2012) studied that Celebrity endorsement enhances product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products. The consumers of durable products have their motivational sources from need and product utility. The study revealed that the celebrities convincing endorsement motivates them to materialize the purchase of durables. The consumers are induced significantly by the celebrity endorser when the target is on quality and price.

Farida Saleem (2007) Celebrity endorsement is becoming very prominent now a day. Marketers use celebrities in ads when there is no or very little product differentiation. When marketers have to target more diverse market multiple celebrities endorsement (more than one celebrity in a single ad) could be an answer. The purpose of the current study is to explore the perceptual difference of young adult toward single celebrity ads and multiple celebrities' ads. Questionnaires were administered on a sample of 300 university students to asses if there is any difference in young adult perception about single celebrity endorsement and multiple celebrities' endorsement. Four print media ads, two containing one celebrity in them and two containing three and five celebrities in them were used as a stimulus. The results showed that the attitude toward ad and purchase intentions are more positive for multiple celebrities ads compare to single celebrity ads and there is no significant difference in the attitude toward brand for multiple celebrities ads and single celebrity ads.

Ads feature celebrities (Solomon 2009), and the percent of ads using celebrities in other countries, such as Japan, is thought to be even higher. Traditional explanations of celebrity endorsement persuasion effects are based on the source effects literature and find that 1) celebrity endorsement increases the attention paid to an ad, celebrities are generally attractive, which helps persuasion when consumers are worried about social acceptance

Zohra Sabunwala (2013) studied that Celebrity Endorsements significantly impacts Brand Differentiation. Most of the beverage user associate themselves with the brand and establishes congruence between their personality and that of brands. The establish a linkage between their lifestyle and that of brand which prompts them to go for a particular brand disregards of price, availability or any other factor. The given finding is in line with the previous literature findings by several authors in the past. Various industry researches have also endorsed the findings that celebrities do create brand differentiation.

Another major conclusion that can be drawn from the study is that Celebrity Endorsement significantly impact Brand Image. The several celebrities brand pair was chosen to reflect the various personality types to which individual consumer can associate and to understand whether the celebrity really influences the image of the brand which ultimately attracts the consumer towards it. This finding has also been reported by many researchers and authors in the past and in several industries like automobiles, FMCG products they have proven how brand Image has been influenced by celebrity endorsements.

3. *RESEARCH METHODOLOGY*

3.1. RESEARCH DESIGN

A research design is the blue print of the study .The design of a study defines the study type (descriptive, correlational, semi experimental, experimental, review, meta-analytic) basically research design is the framework that has been created to seek answers to research questions**.** Our research approach is deductive while the research type is quantitative as a nature.

3.2. POPULATION

A research population is generally a large collection of individual or objects that is the main focus of scientific query. It is for the benefit of the population that researchers are done .however due to the large size of population researcher often cannot test every individual in the population because it is too expensive and time consuming. This is the reason why researchers rely on sampling techniques. Our research population is those university going students of Karachi under age (18 -28) which uses celebrity endorsed advertised product

3.3. SAMPLE SIZE

Sampling is concerned with the selection of a subset of individual from within a statistical population to estimate characteristics of the whole population. Our sample size is 100 students of BBSULK

3.4. SAMPLING METHOD/TECHNIQUE

The research was conducted by administering questionnaire which investigated the influence of celebrity endorsement on the consumer's purchase decision. A total of 100 questionnaires were distributed to college going students and the data was collected. There was no systematic pattern of selecting samples involved in this study. Convenience sampling technique is adopted in this study.

3.5. STUDY PERIOD

The study was conducted for a period of three months. (February2015 - May2015)

3.6. *PRIMARY DATA*

Primary data was collected with an aid of a Questionnaire. The Questionnaire contains a series of questions arranged in a proper order. The data collection was done using a questionnaire which consisted of closed and open ended questions. The questionnaire was designed to collect data about the influence of celebrity endorsement on the consumer's purchase decision.

4. THEORETICAL FRAMEWORK

In our research, we have studied the relationship of celebrity physical attractiveness, credibility and congruency towards customer attitude and purchase intention. We have taken physical attractiveness of celebrity, source credibility and celebrity/brand congruency as independent variables and customer attitude and purchase intentions as dependent variables.

4.1 DEPENDENT VARIABLE:

Purchase intension

4.2 INDEPENDENT VARIABLE:

Physical attractiveness
Trustworthiness
Expertise
Attitude toward the advertisement
Attitude toward the brand

4.3 HYPOTHESES:

H1: There is a relationship between Purchase decision & physical attractiveness
H2: There is a relationship between Purchase decision & trustworthiness
H3: There is a relationship between Purchase decision & expertise of celebrity
H4: There is a relationship between Purchase decision & attitude towards advertisement
H5: There is a relationship between Purchase decision & attitude towards brand

4.4 MEASUREMENT/ INSTRUMENT (*STATISTICAL TOOLS)*

Linear regression will be run. Regression is a statistical measurement that attempts to determine the strength of the relationship between one dependent variable and series of independent variables**.** SPSS will be used**.** SPSS: is a software package used for statistical analysis in social sciences.

5 DATA ANALYSIS

Firstly the analysis is run to know the relationship between the celebrity's physical attractiveness and its influence on the customer's buying behavior to purchase the advertised product and about their attitude towards the brand and its advertisement. This factor analysis is run to know the relation between each variable while the significance of these variables is measured further.

5.1 DESCRIPTIVE ANALYSIS:

To analyze the research outcome the results of descriptive analysis of all dependent and independent variables are shown below:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PD	100	5.00	6.67	5.8667	.49916
PA	100	2.25	6.75	5.1500	.87328
TW	100	3.40	6.20	5.0222	.55761
EX	100	1.40	4.40	2.9820	.59770
AA	100	5.20	6.40	5.8204	.33056
AB	100	3.00	5.50	4.4550	.59605
Valid N (list wise)	100				

The above table shows Minimum values, Maximum Values, Sum, Mean and values of standard deviation of variables. Number of observations are 100. The value of standard deviation and minimum and maximum shows the dispersion of values from its mean. The mean value of purchase decision is 5.8where as its minimum and maximum values are 5.00 t0 6.670.and the standard deviation is .499 while all the independent variables have different mean value as well as extreme values

5.2 CORRELATIONS

H1: There is a relationship between Purchase decision & physical attractiveness

Correlations

		PD	PA
PD	Pearson Correlation	1	.010
	Sig. (2-tailed)		.924
	N	100	100
PA	Pearson Correlation	.010	1
	Sig. (2-tailed)	.924	
	N	100	100

The above table represents the correlation of two variables_ Purchase decision & physical attractiveness of celebrity are positively correlated .The relationship between Purchase decision & physical attractiveness is significant. So we can say that the hypothesis is accepted.

H2: There is a relationship between Purchase decision & trustworthiness

Correlations

		PD	TW
PD	Pearson Correlation	1	.084
	Sig. (2-tailed)		.406
	N	100	99
TW	Pearson Correlation	.084	1
	Sig. (2-tailed)	.406	
	N	99	99

The above table represents the correlation of two variables_ Purchase decision & trustworthiness of celebrity are positively correlated .The relationship between Purchase decision & trustworthiness is significant. So we can say that the hypothesis is accepted.

H3: There is a relationship between Purchase decision & expertise of celebrity

Correlations

		PD	EX
PD	Pearson Correlation	1	.005
	Sig. (2-tailed)		.957
	N	100	100
EX	Pearson Correlation	.005	1
	Sig. (2-tailed)	.957	
	N	100	100

The above table represents the correlation of two variables purchase decision & expertise of celebrity is positively correlated .The relationship between Purchase decision & expertise is significant. So we can say that the hypothesis is accepted.

H4: There is a relationship between Purchase decision & attitude towards advertisement

Correlations

		PD	AA
PD	Pearson Correlation	1	-.233*
	Sig. (2-tailed)		.021
	N	100	98
AA	Pearson Correlation	-.233*	1
	Sig. (2-tailed)	.021	
	N	98	98

*. Correlation is significant at the 0.05 level (2-tailed).

The above table represents the correlation of two variables_ Purchase decision & attitude towards advertisement of celebrity are negatively correlated .The relationship between Purchase decision & attitude towards advertisement is not significant. So we can say that the hypothesis is rejected.

H5: There is a relationship between Purchase decision & attitude towards brand

Correlations

		PD	AB
PD	Pearson Correlation	1	-.173
	Sig. (2-tailed)		.085
	N	100	100
AB	Pearson Correlation	-.173	1
	Sig. (2-tailed)	.085	
	N	100	100

The above table represents the correlation of two variables_ Purchase decision & attitude towards brand of celebrity are negatively correlated .The relationship between Purchase decision & attitude towards brand is not significant. So we can say that the hypothesis is rejected.

5.3 REGRESSION

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	AB, TW, AA, PA, EX[b]	.	Enter

a. Dependent Variable: PD
b. All requested variables entered.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.927	5	.385	1.593	.170[b]
	Residual	22.018	91	.242		
	Total	23.945	96			

a. Dependent Variable: PD
b. Predictors: (Constant), AB, TW, AA, PA, EX

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.284[a]	.080	.030	.49189

a. Predictors: (Constant), AB, TW, AA, PA, EX

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.872	1.149		6.850	.000
	PA	-.005	.059	-.008	-.078	.938
	TW	.077	.091	.087	.845	.401
	EX	.009	.087	.011	.108	.914
	AA	-.311	.155	-.203	-2.008	.048
	AB	-.132	.084	-.160	-1.565	.121

a. Dependent Variable: PD

6 CONCLUSIONS

The result shows that celebrity endorsement has reasonable impact on customers mind as per their purchase intention. Celebrity endorsement has grown as not only an influential factor but also causal factor in above analyzed results of this paper. Physical attractiveness of celebrity with reference to the endorsed advertisement all have impact on the customer's perception about the advertised product. The tests have by and large bore favorable significant results in the light of variables used. Thus, celebrity endorsements do result in sales hike. If the customer perceives the physical attractiveness, the match between celebrity and the product to be favorable, so it influence so much that some time customer neglect the futures of product due to focusing on celebrity.

FURTHER RESEARCH

A limitation of our research is that the data has been taken from University students only so the results may represent a certain sect of society. The results might be different or diversified, had the study been conducted group wise, as on, students, professionals, non-working, etc. However, research has no limit and there is a room for extensive research in this regard in future. Since the results of this study are limited and cannot be generalized so it can be explored more. Another area of research can be impact and efficacy of media on its viewers with respect to marketing products.

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